



**Nissan Chemical**  
CORPORATION

## **Nissan Chemical Corporation**

4Q FY2025 Financial Results Briefing

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**Daimon:** This is Daimon from Nissan Chemical. Thank you very much for joining us today despite your busy schedule. I will now begin the presentation.

## Full-Year FY2025 Financial Summary



2H	vs. 2H FY2024	<ul style="list-style-type: none"> <li>■ Sales up ¥16.3 billion (+12%)</li> <li>■ OP up ¥5.5 billion (+19%)</li> <li>■ Net Income up ¥4.4 billion (+19%)</li> </ul>
Full-Year	vs. FY2024	<ul style="list-style-type: none"> <li>■ Sales up ¥28.2 billion (+11%)</li> <li>■ OP up ¥6.8 billion (+12%)</li> <li>■ Net Income up ¥6.7 billion (+15%)</li> <li>■ <b>OP, Ordinary Income and Net Income set the highest results</b></li> <li>■ ROE Actual for FY2025 is 20.3% (+1.6pt)</li> </ul>
Full-Year	vs. Outlook as of Nov 2025	<ul style="list-style-type: none"> <li>■ Sales above target ¥7.4 billion</li> <li>■ OP above target ¥4.6 billion</li> <li>■ Net Income above target ¥5.7 billion</li> </ul>
Shareholder Returns		<ul style="list-style-type: none"> <li>■ Dividend ¥202 (¥28 up vs. FY2024, ¥26 up vs. FY2025 initial outlook)</li> <li>■ Completed a ¥10.5 billion share repurchase program (2.2 million shares)</li> <li>■ Total Payout Ratio 75.7%, Dividend Payout Ratio 54.9% (Medium-Term Plan Target: Total Payout Ratio 75%, Dividend Payout Ratio 55%)</li> </ul>

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Turning to the FY2025 full-year earnings summary, you can see four boxes lined up from the top. The first box shows the 2H YoY comparison: operating profit increased by JPY5.5 billion, up 19%.

For the full year, sales increased by JPY28.2 billion, up 11%, operating profit increased by JPY6.8 billion YoY, up 12%, and net income increased by JPY6.7 billion, up 15%, representing double-digit growth. As a result, following FY2024, we again set record-high results in operating profit, ordinary income, and net income. ROE also exceeded 20% for the first time, landing at 20.3%.

Versus the outlook announced last November, operating profit came in JPY4.6 billion above target. As a result, looking at shareholder returns at the bottom, the full-year dividend will be JPY202, an increase of JPY28 versus the prior year. Versus the initial outlook announced last May, this is JPY26 above target. The share repurchase program of 2.2 million shares for JPY10.5 billion has been completed, so the dividend payout ratio largely achieved the medium-term plan target of 55%, and the total payout ratio also came in above 75% at 75.7%.

## FY2025 Financial Summary YOY Change

(¥billion)

	FY2024 Actual					FY2025 Actual					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
<b>Sales</b>	118.2	56.6	76.6	133.2	251.4	130.1	65.3	84.2	149.5	279.6	+11.9 (+10%)	+8.7 (+15%)	+7.6 (+10%)	+16.3 (+12%)	+28.2 (+11%)
<b>Operating Profit</b>	28.3	12.8	15.7	28.5	56.8	29.6	15.4	18.6	34.0	63.6	+1.3 (+4%)	+2.6 (+21%)	+2.9 (+18%)	+5.5 (+19%)	+6.8 (+12%)
<b>Non-Operating Income/Expenses</b>	-0.4	2.6	-1.0	1.6	1.2	0.2	1.3	0.8	2.1	2.3	+0.6	-1.3	+1.8	+0.5	+1.1
Foreign exchange Gains/Losses	-0.8	1.8	-1.2	0.6	-0.2	-0.4	0.9	0.1	1.0	0.6	+0.4	-0.9	+1.3	+0.4	+0.8
<b>Ordinary Income</b>	27.9	15.4	14.7	30.1	58.0	29.8	16.7	19.4	36.1	65.9	+1.9 (+7%)	+1.3 (+9%)	+4.7 (+32%)	+6.0 (+20%)	+7.9 (+14%)
<b>Extraordinary Income/Losses</b>	0.8	0.0	0.7	0.7	1.5	0.0	0.0	0.0	0.0	0.0	-0.8	0.0	-0.7	-0.7	-1.5
<b>Net Income<sup>1</sup></b>	20.5	11.2	11.3	22.5	43.0	22.8	12.2	14.7	26.9	49.7	+2.3 (+11%)	+1.0 (+9%)	-3.4 (+29%)	+4.4 (+19%)	+6.7 (+15%)
<b>EBITDA<sup>2</sup></b>	34.5	16.7	20.0	36.7	71.2	36.6	19.5	23.0	42.5	79.1	+2.1	+2.8	+3.0	+5.8	+7.9 (+11%)
<b>EPS (¥/share)</b>	148.78	81.49	82.99	164.48	313.26	168.45	90.65	109.16	199.81	368.26	+19.67	+9.16	+26.17	+35.33	+55.00 (+18%)
<b>Dividend (¥/share)</b>	70	-	-	104	174	70	-	-	132	202	0	-	-	+28	+28
<b>Dividend payout ratio</b>	-	-	-	-	55.5%	-	-	-	-	54.9%	-	-	-	-	-0.6pt
<b>Total amount of Dividend</b>	9.6	-	-	14.2	23.8	9.4	-	-	17.8	27.2	-0.2	-	-	+3.6	+3.4
<b>OP Margin</b>	24.0%	22.5%	20.6%	21.4%	22.6%	22.8%	23.5%	22.1%	22.7%	22.7%	-1.2pt	+1.0pt	+1.5pt	+1.3pt	+0.1pt
<b>ROE</b>	-	-	-	-	18.7%	-	-	-	-	20.3%	-	-	-	-	+1.6pt
<b>FX Rate (¥/\$)</b>	153	152	153	152	153	146	154	157	155	151	-	-	-	-	-

1. Net Income = Profit Attributable to Owners of Parent 2. EBITDA = Operating Profit + Depreciation and amortization

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The specific figures are on page five. The FY2025 actual figures for the full year show sales of JPY279.6 billion, operating profit of JPY63.6 billion, ordinary income of JPY65.9 billion, and net income of JPY49.7 billion. The OP margin on the third line from the bottom was 22.7%, slightly higher than FY2024. The FX rate for the full year was JPY151 to the US dollar, about JPY2 stronger yen versus a year earlier. For 2H, the rate was JPY155, about JPY3 weaker yen versus the prior year's 2H.

As a result, looking at the far-right column for the full-year YoY comparison, operating profit increased by 12%, net income increased by 15%, and EPS increased by 18%, all representing double-digit increases.

## FY2025 Financial Summary Compared to Outlook

(¥billion)

	FY2025 Outlook as of Nov 2025			FY2025 Actual			vs. Outlook
	1H	2H	Total	1H	2H	Total	2H+Total
Sales	130.1	142.1	272.2	130.1	149.5	279.6	+7.4
Operating Profit	29.6	29.4	59.0	29.6	34.0	63.6	+4.6
Non-Operating Income/Expenses	0.2	-0.2	0.0	0.2	2.1	2.3	+2.3
Foreign exchange Gains/Losses	-0.4	-1.6	-2.0	-0.4	1.0	0.6	+2.6
Ordinary Income	29.8	29.2	59.0	29.8	36.1	65.9	+6.9
Extraordinary Income/Losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income <sup>1</sup>	22.8	21.2	44.0	22.8	26.9	49.7	+5.7
EBITDA <sup>2</sup>	36.6	38.3	74.9	36.6	42.5	79.1	+4.2
EPS (¥/share)	168.45	159.77	328.22	168.45	199.81	368.26	+40.04
Dividend (¥/share)	70	110	180	70	132	202	+22
Dividend payout ratio	-	-	54.8%	-	-	54.9%	+0.1pt
Total amount of Dividend	9.4	14.8	24.2	9.4	17.8	27.2	+3.0
OP Margin	22.8%	20.7%	21.7%	22.8%	22.7%	22.7%	-
ROE	-	-	18.5%	-	-	20.3%	+1.8pt
FX Rate (¥/\$)	146	145	146	146	155	151	-

1. Net Income = Profit Attributable to Owners of Parent 2. EBITDA = Operating Profit + Depreciation and amortization

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Turning to page 6, this shows the comparison versus the outlook announced last November. The figures are as I just mentioned. As for the FX rate, we initially assumed JPY145 per US dollar for the six months of 2H, but the actual came in at JPY155, about JPY10 weaker yen than assumed.

## FY2025 Financial Summary Analysis of Changes in OP

		FY2025 Actual	FY2024 Actual	YOY Change	Outlook as of Nov 2025	vs. Outlook	
		<b>34.0</b> billion	<b>28.5</b> billion	<b>+5.5</b> billion(+19%)	<b>29.4</b> billion	<b>+4.6</b> billion	
2H	Performance Materials	YOY Change	+3.1 billion	OP increase due to sales increase in Semis Materials			
		vs. Outlook	+3.2 billion	OP increase due to sales increase in Semis Materials			
	Agrochemicals	YOY Change	+2.5 billion	OP increase due to sales increase in Fluralaner, GRACIA, LEIMAY and VERDAD			
		vs. Outlook	in line				
	Chemicals	YOY Change	+0.5 billion	OP increase due to sales increase in Fine Chemicals and Basic Chemicals			
		vs. Outlook	+0.3 billion	OP increase due to sales increase in Fine Chemicals			
	Healthcare	YOY Change	+0.1 billion				
		vs. Outlook	-0.1 billion	OP decrease due to sales decrease in Custom Chemicals			
	(¥)						
			FY2025 Actual	FY2024 Actual	YOY Change		
		<b>63.6</b> billion	<b>56.8</b> billion	<b>+6.8</b> billion(+12%)			
Full-Year	Performance Materials	YOY Change	+6.0 billion	OP increase (+20%) due to sales increase in Semis Materials and Inorganic Materials			
	Agrochemicals	YOY Change	+0.1 billion	OP flat due to fixed cost etc. <sup>1</sup> up despite sales increase in LEIMAY, ALTAIR, VERDAD and Fluralaner			
	Chemicals	YOY Change	+0.7 billion	OP increase due to sales increase in Fine Chemicals and Basic Chemicals and fixed cost etc. down from impairment loss recorded in FY2024 in Fine Chemicals business			
	Healthcare	YOY Change	-0.5 billion	OP decrease due to sales decrease in Custom Chemicals			

1. Fixed cost etc.: including inventory adjustment cost

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This is the segment summary for operating profit. Starting with the 2H box at the top, for Performance Materials, operating profit was up YoY and came in above the outlook, driven mainly by semiconductor materials.

Agrochemicals recorded a YoY increase of JPY2.5 billion. In 1H, operating profit decreased by JPY2.4 billion YoY, but was offset in 2H. Versus the outlook, the segment was in line. This was supported by higher sales of Fluralaner, GRACIA, LEIMAY and VERDAD.

For Chemicals, operating profit was up YoY and above the outlook. This was mainly driven by higher sales of fine chemicals and basic chemicals.

Finally, for Healthcare, results were slightly up YoY and slightly below the outlook.

Turning to the full year, breaking down the JPY6.8 billion YoY increase I mentioned earlier, Performance Materials recorded a YoY increase of JPY6.0 billion, a substantial gain. In particular, semiconductor materials and inorganic materials both grew, and operating profit was up 20%.

Agrochemicals was up JPY0.1 billion YoY. Sales of all major products grew, but with the increases in fixed costs and others, profit was essentially flat.

Chemicals was up JPY0.7 billion. In addition to higher sales, the decrease in fixed costs and others associated with the FY2024 fine chemicals impairment contributed to the profit increase.

Healthcare saw a profit decline due to lower sales in Custom Chemicals.

## Summary of FY2026 Outlook



### FY2026 Full-Year Outlook

**\*The direct impact of the Middle East situation is limited**  
**We will continue to monitor potential impacts on the overall market supply chain**

1H vs. 1H FY2025

- Sales up ¥1.4 billion (+1%)
- OP down ¥0.9 billion (-3%)
- Net Income down ¥0.4 billion (-2%)

Full-Year vs. FY2025

- Sales up ¥10.1 billion (+4%)
- OP up ¥3.2 billion (+5%)
- Net Income up ¥1.8 billion (+4%)
- ROE Outlook 19.6%

### Shareholders Return

- Total Payout Ratio Target 75%, Dividend Payout Ratio Target 55% based on Medium-Term Plan
- Announced a ¥10.5 billion share repurchase in May 2026 (period: May 2026 - March 2027)

<b>Dividend</b>	¥212/share (1H ¥70/share, 2H ¥142/share), Dividend Payout Ratio 54.8% (¥10 up vs. FY2025)
<b>Share Repurchase</b>	¥10.5 billion (announced on May 15, 2026, period: May 2026 – March 2027) (FY2025 actual: ¥10.5 billion, 2.2 million shares)
<b>Total Payout Ratio Target</b>	75.0% (based on ¥212/share dividend and ¥10.5 billion share repurchase)

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Now, the FY2026 outlook. As noted in bold at the top, our view is that the direct impact of the Middle East situation is limited. We will continue to monitor potential impacts on the overall market supply chain going forward.

In the second box, for the full year, sales are expected to increase by 4% YoY. Operating profit is expected to increase by JPY3.2 billion, up 5%, and net income by 4%. ROE will be 19.6%, slightly below 20%.

The shareholder returns outlook maintains the total payout ratio at 75% and the dividend payout ratio at 55%, unchanged from the medium-term plan. Share repurchases are planned at JPY10.5 billion from this May through March next year. For dividends, the full-year dividend is set at JPY212, as shown above, representing an increase of JPY10 versus FY2025.

## FY2026 Outlook Summary YOY Change

(¥billion)

	FY2025 Actual					FY2026 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
<b>Sales</b>	69.9	60.2	130.1	149.5	279.6	69.1	62.4	131.5	158.2	289.7	-0.8	+2.2	+1.4 (+1%)	+8.7 (+6%)	+10.1 (+4%)
<b>Operating Profit</b>	18.1	11.5	29.6	34.0	63.6	16.8	11.9	28.7	38.1	66.8	-1.3	+0.4	-0.9 (-3%)	+4.1 (+12%)	+3.2 (+5%)
<b>Non-Operating Income/Expenses</b>	0.0	0.2	0.2	2.1	2.3	1.4	-0.5	0.9	1.1	2.0	+1.4	-0.7	+0.7	-1.0	-0.3
Foreign exchange Gains/Losses	-0.7	0.3	-0.4	1.0	0.6	0.0	0.0	0.0	0.0	0.0	+0.7	-0.3	+0.4	-1.0	-0.6
<b>Ordinary Income</b>	18.1	11.7	29.8	36.1	65.9	18.2	11.4	29.6	39.2	68.8	+0.1	-0.3	-0.2 (-1%)	+3.1 (+9%)	+2.9 (+4%)
<b>Extraordinary Income/Losses</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.7	0.0	0.0	0.0	+0.7	+0.7
<b>Net Income<sup>1</sup></b>	13.9	8.9	22.8	26.9	49.7	13.8	8.6	22.4	29.1	51.5	-0.1	-0.3	-0.4 (-2%)	+2.2 (+9%)	+1.8 (+4%)
<b>EBITDA<sup>2</sup></b>	21.4	15.2	36.6	42.5	79.1	-	-	37.0	48.4	85.4	-	-	+0.4	+5.9	+6.3 (+8%)
<b>EPS (¥/share)</b>	102.20	66.25	168.45	199.81	368.26	-	-	168.52	218.59	387.11	-	-	+0.07	+18.78	+18.85 (+5%)
<b>Dividend (¥/share)</b>	-	-	70	132	202	-	-	70	142	212	-	-	0	+10	+10
<b>Dividend Payout Ratio (%)</b>	-	-	-	-	54.9%	-	-	-	-	54.8%	-	-	-	-	-0.1pt
<b>Total amount of Dividend</b>	-	-	9.4	17.8	27.2	-	-	9.3	18.8	28.1	-	-	-0.1	+1.0	+0.9
<b>OP Margin</b>	25.9%	19.1%	22.8%	22.7%	22.7%	24.3%	19.1%	21.8%	24.1%	23.1%	-1.6pt	0.0pt	-1.0pt	+1.4pt	+0.4pt
<b>ROE</b>	-	-	-	-	20.3%	-	-	-	-	19.6%	-	-	-	-	-0.7pt
<b>FX Rate (¥/\$)</b>	145	147	146	155	151	150	150	150	150	150	-	-	-	-	-

1. Net Income = Profit Attributable to Owners of Parent 2. EBITDA = Operating Profit + Depreciation and amortization

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These are the specific figures. In the middle, in blue, the full-year column shows operating profit of JPY66.8 billion on the second line, and net income of JPY51.5 billion. The FX rate assumption for the initial outlook is JPY150 per US dollar. On the right, looking at the far-right YoY full-year column, operating profit is up 5%, net income up 4%, and EBITDA up 8%.

## FY2026 Outlook Summary Analysis of Changes in OP

	FY2026 Outlook	FY2025 Actual	YOY Change
	<b>28.7</b> billion	<b>29.6</b> billion	<b>-0.9</b> billion (-3%)
1H	Performance Materials	YOY Change +0.4 billion	OP increase due to sales increase in Semis Materials
	Agrochemicals	YOY Change -0.9 billion	OP decrease due to sales decrease in Fluralaner, LEIMAY and GRACIA, and fixed cost etc. up
	Chemicals	YOY Change +0.4 billion	OP increase due to sales increase in Basic Chemicals
	Healthcare	YOY Change -0.2 billion	OP decrease due to sales decrease in Custom Chemicals
			(¥)
	FY2026 Outlook	FY2025 Actual	YOY Change
	<b>66.8</b> billion	<b>63.6</b> billion	<b>+3.2</b> billion (+5%)
Full-Year	Performance Materials	YOY Change +3.3 billion	OP increase due to sales increase in Semis Materials
	Agrochemicals	YOY Change +1.0 billion	OP increase due to sales increase in ROUNDUP and LEIMAY
	Chemicals	YOY Change +0.2 billion	OP increase due to sales increase in Basic Chemicals
	Healthcare	YOY Change -0.3 billion	OP decrease due to fixed cost etc. up

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Next is the analysis of operating profit by segment. For 1H, operating profit is expected to decrease by JPY0.9 billion YoY. The main factor is Agrochemicals, shown in the second line, where lower sales of Fluralaner, LEIMAY, and GRACIA, together with an increase in fixed costs and others, result in a JPY0.9 billion decrease.

For the full year, operating profit is expected to increase by JPY3.2 billion, up 5%. Starting from the top, Performance Materials is expected to increase by JPY3.3 billion YoY, mainly driven by higher sales of semiconductor materials. Agrochemicals by JPY1.0 billion, reflecting higher sales as shown. Chemicals by JPY 0.2 billion, and Healthcare is expected to decrease by JPY0.3 billion.

## Breakdown of Non-Operating Income/Expenses and Extraordinary Income/Losses



(¥billion)

	FY2024 Actual			FY2025 Actual			YOY Change			FY2025 Outlook <sup>3</sup>	FY2026 Outlook		
	1H	2H	Total	1H	2H	Total	1H	2H	Total		Total	1H	2H
Interest income, dividend income	0.59	1.35	1.94	1.17	0.59	1.76	+0.58	-0.76	-0.18	2.37	1.06	0.63	1.69
Equity in earnings of affiliates	0.14	0.92	1.06	0.16	1.35	1.51	+0.02	+0.43	+0.45	1.02	0.59	1.42	2.01
Foreign exchange gains/losses <sup>1</sup>	-0.83	0.68	-0.15	-0.45	1.06	0.61	+0.38	+0.38	+0.76	-1.97	0.00	0.00	0.00
Interest expense	-0.35	-0.30	-0.65	-0.22	-0.18	-0.40	+0.13	+0.12	+0.25	-0.51	-0.37	-0.40	-0.77
Loss on disposal of non-current assets, others	0.05	-1.06	-1.01	-0.46	-0.67	-1.13	-0.51	+0.39	-0.12	-0.96	-0.38	-0.55	-0.93
<b>Non-Operating Income/Expenses</b>	<b>-0.40</b>	<b>1.59</b>	<b>1.19</b>	<b>0.20</b>	<b>2.15</b>	<b>2.35</b>	<b>+0.60</b>	<b>+0.56</b>	<b>+1.16</b>	<b>-0.05</b>	<b>0.90</b>	<b>1.10</b>	<b>2.00</b>
Extraordinary Income	0.82	4.51	5.33	0.00	0.00	0.00	-0.82	-4.51	-5.33	0.00	0.00	0.65	0.65
Extraordinary Losses	0.00	-3.88	-3.88	0.00	0.00	0.00	0.00	+3.88	+3.88	0.00	0.00	0.00	0.00
<b>Extraordinary Income/Losses<sup>2</sup></b>	<b>0.82</b>	<b>0.63</b>	<b>1.45</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.82</b>	<b>-0.63</b>	<b>-1.45</b>	<b>0.00</b>	<b>0.00</b>	<b>0.65</b>	<b>0.65</b>

1. FX Rate (¥/\$): 2024/3 151.40, 2024/9 142.82, 2025/3 149.53, 2025/9 148.89, 2026/3 159.93

2. FY2024 Actual:

Extraordinary Income ¥5.33 billion (Gain on receipt of donated beneficial interests in trust ¥3.26 billion, Gain on sales of investment securities ¥1.25 billion, Gain on receipt of contingent consideration ¥0.82 billion)

Extraordinary Losses ¥3.88 billion (Impairment loss ¥3.88 billion)

3. FY2025 Outlook as of Nov 2025

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This is the breakdown of non-operating income and expenses and extraordinary income and losses. For foreign exchange gains and losses, the FY2025 full-year result was a gain of JPY0.6 billion, shown on the third line from the top. Versus the prior year, this is a JPY0.76 billion increase. For the current fiscal year, since this is the initial outlook, we have set foreign exchange gains and losses at zero, as shown in the far-right column.

As for extraordinary income and losses, in FY2025 there were neither extraordinary income nor losses. For the current fiscal year, extraordinary income of approximately JPY0.65 billion is expected.

## Cash Flows

Free cash flow in FY2025 was ¥43.0 billion, an increase of ¥1.4 billion from FY2024

	FY2024 Actual	FY2025 Actual	YOY Change	FY2025 Outlook as of Nov 2025	FY2026 Outlook
					(¥billion)
<b>CF from operating activities</b>	<b>59.2</b>	<b>64.2</b>	<b>+5.0</b>	<b>61.9</b>	<b>58.0</b>
Income before income taxes & non-controlling interests	59.5	65.9	+6.4	59.0	69.5
Extraordinary losses (income)	-1.5	0.0	+1.5	0.0	-0.7
Depreciation & amortization <sup>1</sup>	14.4	15.5	+1.1	15.9	18.6
Income taxes paid	-12.6	-17.0	-4.4	-17.8	-16.8
Working capital, others	-0.6	-0.2	+0.4	4.8	-12.6
<b>CF from investing activities</b>	<b>-17.6</b>	<b>-21.2</b>	<b>-3.6</b>	<b>-21.8</b>	<b>-31.2</b>
Purchase of PPE <sup>2</sup>	-17.6	-19.7	-2.1	-21.5	-27.0
Purchase and sales of investment securities	-0.2	-0.2	0.0	-0.2	-0.3
Others	0.2	-1.3	-1.5	-0.1	-3.9
<b>Free cash flow</b>	<b>41.6</b>	<b>43.0</b>	<b>+1.4</b>	<b>40.1</b>	<b>26.8</b>
<b>CF from financing activities</b>	<b>-35.7</b>	<b>-36.2</b>	<b>-0.5</b>	<b>-35.9</b>	<b>-20.9</b>
Payout to shareholders (dividend)	-22.7	-23.6	-0.9	-23.6	-37.6
Payout to shareholders (share repurchase)	-11.5	-10.5	+1.0	-10.5	
Liabilities with interest	-1.5	-1.9	-0.4	-1.8	16.7
Others	0.0	-0.2	-0.2	0.0	0.0
Effect of exchange rate change on cash & cash equivalents	-1.1	1.4	+2.5	0.0	0.0
Change in cash & cash equivalents	4.8	8.2	+3.4	4.2	5.9
Cash & cash equivalents at end of period	27.5	35.7	+8.2	31.7	41.6

1. Including amortization of goodwill 2. Including intangible assets

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Cash flows. As noted at the top, FY2025 free cash flow was JPY43.0 billion, a slight YoY increase. The outlook for the current fiscal year is in the far-right column. Both operating cash flow and investing activities show cash outflows compared with the prior year. Capital expenditure will be at higher levels, mainly in Performance Materials and Agrochemicals. As a result, cash and deposits will be a little over JPY40 billion, maintaining a sufficient cash position.

## Balance Sheets

(¥billion)

	2025/3	2026/3	vs. 2025/3
<b>Current assets</b>	<b>210.4</b>	<b>222.0</b>	<b>+11.6</b>
Cash	27.5	35.7	+8.2
Accounts receivable	89.1	97.2	+8.1
Inventories	80.1	76.6	-3.5
Others	13.7	12.5	-1.2
<b>Fixed assets</b>	<b>120.4</b>	<b>133.1</b>	<b>+12.7</b>
Total PPE	72.4	77.0	+4.6
Intangible assets	13.5	12.8	-0.7
Investment securities	24.4	32.5	+8.1
Others	10.1	10.8	+0.7
<b>Total assets</b>	<b>330.8</b>	<b>355.1</b>	<b>+24.3</b>

	2025/3	2026/3	vs. 2025/3
<b>Liabilities</b>	<b>94.6</b>	<b>96.0</b>	<b>+1.4</b>
Accounts payable	19.9	22.6	+2.7
Borrowings, CP & Bonds	40.5	38.4	-2.1
Others	34.2	35.0	+0.8
<b>Net assets</b>	<b>236.2</b>	<b>259.1</b>	<b>+22.9</b>
Shareholders' equity <sup>1</sup>	222.9	238.8	+15.9
Valuation difference on available-for-sale securities	7.0	11.5	+4.5
Foreign currency translation adjustment	1.8	3.1	+1.3
Non-controlling interests	2.9	3.8	+0.9
Remeasurements of defined benefit plans	1.6	1.9	+0.3
<b>Total liabilities &amp; net assets</b>	<b>330.8</b>	<b>355.1</b>	<b>+24.3</b>
<b>Equity Ratio</b>	<b>70.5%</b>	<b>71.9%</b>	
<b>Net D/E Ratio<sup>2</sup></b>	<b>0.06</b>	<b>0.01</b>	

### Breakdown of Investment Securities

	2025/3	2026/3	vs. 2025/3	Reference	2018/3
Listed shares <sup>3</sup> (Number of stocks held, Non-consolidated basis)	15.6 (24)	22.0 (24)	+6.4 (0)		30.0 (55)
Unlisted shares	2.3	2.5	+0.2		1.7
Subsidiaries/Associate shares	6.5	8.0	+1.5		6.8
<b>Total</b>	<b>24.4</b>	<b>32.5</b>	<b>+8.1</b>		<b>38.5</b>
Strategic shareholdings on net assets <sup>4</sup>	6.9%	8.6%			17.0%

1. Change in shareholders' equity +15.9 = Net Income 49.7 - Dividend and others 33.8

2. Net D/E Ratio = (Borrowings + CP + Bonds - Cash) / Shareholders' equity

3. 2025/3 15.6 + Acquisition 0.0 - Sales and valuation difference 6.4 = 2026/3 22.0

4. Strategic shareholdings on net assets = strategic shareholdings (Non-consolidated basis, Listed shares + Unlisted shares) / Net assets (Consolidated basis)

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Balance sheet. In the upper left, total assets increased by a little over JPY24 billion, with accounts receivable and cash and deposits rising. For accounts receivable, sales were up, but turnover days were essentially unchanged from the end of March 2025. Inventories decreased by JPY3.5 billion, and we believe inventory levels are steadily being normalized. Below fixed assets, investment securities increased by JPY8.1 billion. As noted in footnote three in small text in the lower left, this reflects a significant rise in market value as of the end of March 2026, so the increase comes from valuation differences. We did not specifically make any acquisitions. The ratio of strategic shareholdings on net assets, as shown in the bottom table, is also below 10%. The equity ratio in the lower right is 71.9%, continuing to maintain a level above 70%.

## Capex, Depreciation, R&D expenses by Segment

Capex and Depreciation increased in recent years due to manufacturing capacity expansion (mainly overseas) in core growth businesses.

R&D expenses increased in Performance Materials, especially Semis Materials, and Agrochemicals.

(¥billion)

	Capex <sup>1</sup>					Depreciation <sup>2</sup>					R&D expenses				
	2022	2023	2024	2025	2026E	2022	2023	2024	2025	2026E	2022	2023	2024	2025	2026E
Performance M. <sup>3</sup>	9.0	9.1	4.4	9.4	13.7	4.6	6.0	6.5	6.2	8.6	7.6	8.2	8.3	10.3	12.8
NCK <sup>3</sup>	5.0	5.7	0.5	0.7	0.9	0.7	2.3	3.1	2.1	1.5	0.5	0.8	0.7	0.8	0.8
Agrochemicals <sup>4</sup>	5.9	5.1	3.8	1.9	4.4	2.8	3.4	2.9	4.0	3.8	4.3	4.3	4.5	4.5	5.1
Chemicals <sup>5</sup>	2.8	4.6	5.2	4.1	5.0	2.5	2.7	2.9	2.8	3.5	0.3	0.3	0.3	0.3	0.3
Healthcare	0.5	0.5	0.4	0.6	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.4	0.6	0.7	0.7
Trading	0.1	0.0	0.3	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Others	1.1	0.9	3.5	3.7	3.4	0.7	1.2	1.6	1.9	2.1	4.2	4.1	5.4	5.6	5.8
<b>Total</b>	<b>19.4</b>	<b>20.2</b>	<b>17.6</b>	<b>19.7</b>	<b>27.0</b>	<b>11.0</b>	<b>13.8</b>	<b>14.4</b>	<b>15.5</b>	<b>18.6</b>	<b>16.8</b>	<b>17.3</b>	<b>19.1</b>	<b>21.4</b>	<b>24.7</b>

1. Capex: Cash flows basis

2. Depreciation Method

Domestic: Display Materials and Semis Materials: 4 year declining balance method (50% of initial capex amount in the 1st year)

Other products : 8 year declining balance method (25% of initial capex amount in the 1st year)

International: NCK: 6 year declining balance method (33% of initial capex amount in the 1st year), NBR: 10 year straight-line method

3. Capex FY2022: NCK Semis new plant (¥4.6 billion), FY2023: NCK Semis new plant (¥4.7 billion),

FY2025: Semis research facilities and equipment (¥3.9 billion),

FY2026E: Semis research facilities, equipment and production facilities(¥5.6 billion), Inorganic production facilities(¥1.5 billion) and Semis supply chain enhancement (¥1.4 billion)

4. Capex FY2022: NBR 1st phase construction (¥4.3 billion), FY2023: production facilities at Onoda plant (¥2.6 billion),

FY2024: production facilities at Onoda plant (¥1.8 billion), FY2026E: production facilities at NBR (¥2.4 billion)

Depreciation FY2024: a temporary decrease in expense of ¥1.1 billion

5. Capex FY2024: production facilities at Toyama plant (¥1.0 billion), FY2025: production facilities at Toyama plant (¥0.8 billion),

FY2026E: N<sub>2</sub>O emissions reduction project at the Toyama nitric acid plant (¥0.6 billion)

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This is the five-year trend in capex, depreciation, and R&D expenses by segment, including the current fiscal year. Capex and depreciation have been increasing in recent years, mainly due to capacity expansion in overseas manufacturing in our core growth businesses. For Performance Materials and Agrochemicals, further details are provided in the lower-left footnotes three and four.

R&D expenses have also been increasing in Performance Materials, particularly semiconductor materials, and in Agrochemicals. For the current fiscal year, R&D expenses are expected to be JPY24.7 billion, with a ratio of 8.5% of sales.

- Semis Materials: High growth rates (YoY change) have been achieved from FY2024 onward along with the recovery of Semis market after the temporary adjustment phase in FY2023
- DP Materials: Recovered after bottom-out in FY2022, have maintained stable sales as Cash Cow
- In terms of sales composition by subsegment, Semis Materials, a growth driver, significantly surpass DP Materials
- All of the subsegments' sales are increasing in FY2026, especially Semis Materials

### Sales of Performance Materials by Subsegment, Segment Total EBITDA Margin<sup>1</sup> Trend



1. EBITDA Margin= (Operating Profit + Depreciation and amortization) / Sales

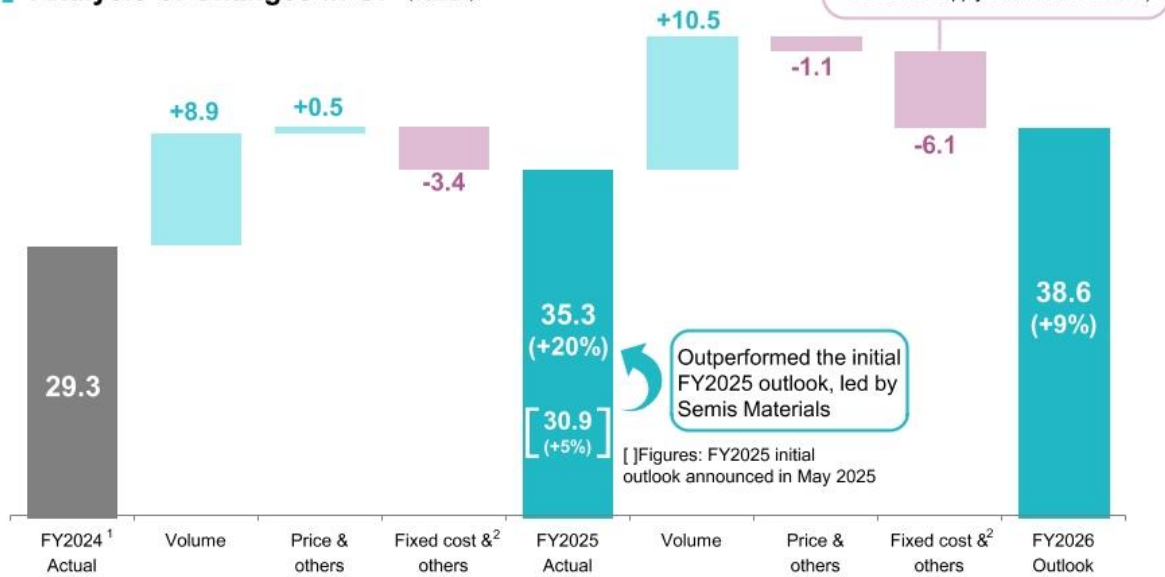
Now, by segment. Starting with Performance Materials.

The bar chart at the bottom shows the sales growth rates of the three subsegments over the past five years, including the current fiscal year. For semiconductor materials, there was a temporary adjustment phase in FY2023, but with the market recovery, high growth has been achieved from FY2024 onward. Display materials also bottomed out in FY2022 and have recovered, maintaining stable sales as a cash cow. In terms of sales mix, semiconductor materials, the growth driver, significantly exceed display materials. While not shown here, operating profit from semiconductor materials is also expected to become the largest from FY2026. Overall, we expect YoY sales growth across all subsegments, led by semiconductor materials, and plan double-digit growth for the segment as a whole.

The yellow line shows the EBITDA margin, and the segment achieves a high margin of close to 40%.

- Sales and OP in FY2025 substantially up due to volume increase in all of the subsegments, especially Semis Materials, despite fixed cost & others for future growth increased
- Sales and OP in FY2026 up due to volume increase in Semis despite price & others down and fixed cost & others increase

**Analysis of Changes in OP** (¥billion)

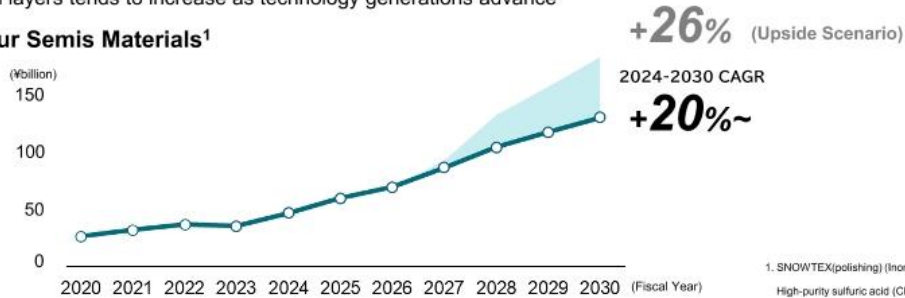


1. FY2025- : New OP Method adopted. FY2024 Actual have been restated based on the new method (see p58).  
 2. Fixed cost & others: including inventory adjustment cost

This is the analysis of operating profit for the Performance Materials segment. In FY2025, while fixed costs increased due to growth investments in semiconductor materials, volume increases across all subsegments contributed, resulting in significant growth in both sales and operating profit, with operating profit up 20%. Our initial outlook in May 2025 had been for 5% OP growth, so the result far exceeded that. For FY2026, driven mainly by volume growth in semiconductor materials, despite price differences as well as increases in fixed costs and others, we continue to expect growth in both sales and operating profit, with an initial outlook of a 9% increase.

- Our Semis Materials sales growth rate is expected to be +20% or more (2024-2030 CAGR), exceeding the market growth rate of +10%
  - Particularly for AI server applications, etc., our sales are expected to grow significantly in leading-edge and advanced generations
- The number of material layers tends to increase as technology generations advance

### Sales Trend of Our Semis Materials<sup>1</sup>



### Sales growth of our Semis Materials exceeding market growth



### Sales Image of our Semis Materials (Composition ratio by generation)



[Leading-edge] Logic:2nm and beyond, DRAM:Early 10nm generation and beyond, NAND:State-of-the-art as of 2025  
 [Advanced] Logic:7nm – 3nm, DRAM:Mid-10nm generation, NAND:128 layers and above, but below leading-edge [Legacy] All other generations

This shows our growth outlook through 2030 for our semiconductor materials, which have been growing very strongly in recent years. This is intended as an image only, but we expect sales growth at a CAGR of 20% or more from 2024 to 2030. Based on various data sources, we understand the market growth rate to be around 10%, so we are looking to significantly outperform that. Our materials are expected to grow significantly in leading-edge and advanced generations, including for AI servers. An upside case is also indicated, and we have strong confidence in this outlook.

- Semis Materials: 【FY2025 Full-Year Actual】 Sales YOY +27% 【FY2026 Full-Year Outlook】 Sales YOY +18%
- DP Materials: 【FY2025 Full-Year Actual】 Sales YOY -1% 【FY2026 Full-Year Outlook】 Sales YOY +2%
- Inorganic Materials: 【FY2025 Full-Year Actual】 Sales YOY +6% 【FY2026 Full-Year Outlook】 Sales YOY +8%

Main Products	FY2025 Actual					FY2026 Outlook				
	YOY Change					YOY Change				
	1H	3Q	4Q	2H	Total	1Q	2Q	1H	2H	Total
<b>Total Semis Materials</b>	<b>+18%</b>	<b>+32%</b>	<b>+40%</b>	<b>+36%</b>	<b>+27%</b>	<b>+30%</b>	<b>+17%</b>	<b>+23%</b>	<b>+14%</b>	<b>+18%</b>
<b>ARC®</b>	<b>+11%</b>	<b>+31%</b>	<b>+22%</b>	<b>+26%</b>	<b>+19%</b>	<b>+21%</b>	<b>+10%</b>	<b>+15%</b>	<b>+8%</b>	<b>+11%</b>
<b>Multi layer process materials</b>	<b>+34%</b>	<b>+39%</b>	<b>+84%</b>	<b>+62%</b>	<b>+49%</b>	<b>+53%</b>	<b>+23%</b>	<b>+37%</b>	<b>+12%</b>	<b>+22%</b>
<b>EUV materials<sup>1</sup></b>	<b>+14%</b>	<b>+36%</b>	<b>+29%</b>	<b>+33%</b>	<b>+23%</b>	<b>+34%</b>	<b>+40%</b>	<b>+37%</b>	<b>+42%</b>	<b>+40%</b>
<b>Total Display Materials</b>	<b>+7%</b>	<b>-10%</b>	<b>-6%</b>	<b>-8%</b>	<b>-1%</b>	<b>-2%</b>	<b>-5%</b>	<b>-4%</b>	<b>+9%</b>	<b>+2%</b>
<b>Total Inorganic Materials</b>	<b>+8%</b>	<b>+9%</b>	<b>+1%</b>	<b>+5%</b>	<b>+6%</b>	<b>+9%</b>	<b>+3%</b>	<b>+6%</b>	<b>+11%</b>	<b>+8%</b>
<b>Total Segment</b>	<b>+12%</b>	<b>+12%</b>	<b>+17%</b>	<b>+15%</b>	<b>+13%</b>	<b>+14%</b>	<b>+7%</b>	<b>+11%</b>	<b>+12%</b>	<b>+11%</b>

1. EUV materials: Both Under Layer and Si-HM for EUV

This shows the sales growth rates of our main products. For semiconductor materials, sales increased by 27% in FY2025, and the initial outlook for FY2026 is an 18% increase. Display materials recorded a 1% decline in FY2025 but are expected to increase by 2% YoY in FY2026. Within this, Photo IPS is growing strongly, with sales expected to increase by 6% YoY in both FY2025 and FY2026. Inorganic materials increased by 6% in FY2025 and are expected to increase by 8% in FY2026.

(¥billion)

	FY2024 Actual					FY2025 Actual					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	48.6	25.6	25.9	51.5	100.1	54.4	28.6	30.4	59.0	113.4	+5.8	+3.0	+4.5	+7.5	+13.3
OP	14.5	8.0	6.8	14.8	29.3	17.4	9.4	8.5	17.9	35.3	+2.9	+1.4	+1.7	+3.1	+6.0

Fixed cost & others [2H] up ¥2.4 billion [Total] up ¥3.4 billion

Semis Materials	<b>[2H][Total] Sales &amp; OP up</b>	Display Materials	<b>[2H] Sales &amp; OP down</b>
	Mainly advanced materials up		<b>[Total] Sales down, OP flat</b>
	ARC® [2H][Total] Sales up		Photo IPS [2H] Sales flat [Total] Sales up
	Multi layer process materials [2H][Total] Sales up		Rubbing IPS [2H][Total] Sales down
	EUV materials [2H][Total] Sales up		VA [2H][Total] Sales down
3D packaging process materials [2H] Sales flat [Total] Sales up		Inorganic Materials	<b>[2H] [Total] Sales &amp; OP up</b>
Fixed cost & others [2H] up ¥2.1 billion [Total] up ¥2.9 billion	[2H] [Total] Sales up in SNOWTEX (polishing), Oilfield materials		

1. FY2024 Actual have been restated based on the new method (see p58)

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Here are the comments by subsegment for the FY2025 YoY actual results. For the full year, operating profit increased by JPY6.0 billion. As noted in the small text below the table, fixed costs and others increased by JPY 3.4 billion for the year. Most of this increase was in semiconductor materials, as shown on the lower left.

(¥billion)

	FY2025 Actual					FY2026 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	25.9	28.5	54.4	59.0	113.4	29.6	30.6	60.2	65.9	126.1	+3.7	+2.1	+5.8	+6.9	+12.7
OP	8.2	9.2	17.4	17.9	35.3	8.3	9.5	17.8	20.8	38.6	+0.1	+0.3	+0.4	+2.9	+3.3

Fixed cost & others 【1H】 up ¥4.0 billion : including fixed cost up ¥3.0 billion and inventory adjustment cost up ¥1.0 billion  
 【2H】 up ¥2.1 billion : including fixed cost up ¥2.5 billion and inventory adjustment cost down ¥0.4 billion  
 【Total】 up ¥6.1 billion : including fixed cost up ¥5.5 billion and inventory adjustment cost up ¥0.6 billion

Semis Materials		【Total】 Sales & OP up	Display Materials		【Total】 Sales & OP up
Mainly advanced materials up			Photo IPS		【Total】 Sales up (customer capacity expansion in 2H)
ARC®		【Total】 Sales up	Rubbing IPS		【Total】 Sales down
Multi layer process materials		【Total】 Sales up	VA		【Total】 Sales down
EUV materials		【Total】 Sales up	Fixed cost & others 【Total】 up ¥0.3 billion		
3D packaging process materials		【Total】 Sales up	Inorganic Materials		【Total】 Sales up, OP down
Fixed cost & others 【1H】 up ¥3.3 billion 【2H】 up ¥1.3 billion			【Total】 Sales up in Oilfield materials, SNOWTEX (non-polishing)		
【Total】 up ¥4.6 billion:			Fixed cost & others 【Total】 up ¥1.2 billion		
including fixed cost up ¥3.9 billion (mainly R&D expenses, etc.)					
and inventory adjustment cost up ¥0.7 billion					
(including a temporary factor of ¥0.8 billion for Semis supply chain enhancement)					

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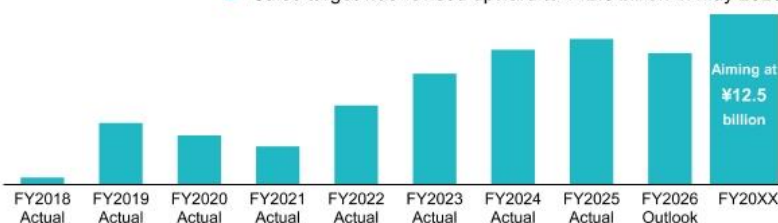
This is the outlook for the current fiscal year. Operating profit is expected to increase by JPY3.3 billion. Fixed costs and others are expected to increase by JPY6.1 billion, which is absorbed to deliver a JPY3.3 billion increase in operating profit. As for fixed costs, semiconductor materials account for a JPY4.6 billion increase on a full-year basis, as noted. In addition, as shown on the lower right, investments in inorganic and display materials also contribute to increases in fixed costs.

## Sales Growth Rate of Main Products (before discount)

【FY2025 Full-Year Actual】 Sales YOY +12% 【FY2026 Full-Year Outlook】 Sales YOY +1%

Main Products (Agro: In order of FY2025 Sales amount)		Types	FY2025 Actual					FY2026 Outlook		
			YOY					YOY		
			1H	3Q	4Q	2H	Total	1H	2H	Total
Agro	ROUNDUP <sup>1</sup>	Herbicide	+2%	+29%	0%	+3%	+3%	+7%	+5%	+6%
	ALTAIR	Herbicide	+51%	+43%	+1%	+7%	+17%	-18%	-5%	-9%
	GRACIA	Insecticide	-17%	+76%	+15%	+41%	+8%	-29%	+5%	-10%
	LEIMAY	Fungicide	+49%	+84%	+32%	+44%	+46%	-37%	+40%	+5%
	TARGA	Herbicide	+45%	-68%	-14%	-31%	-3%	-3%	+17%	+6%
	PERMIT	Herbicide	0%	+31%	-30%	+2%	+1%	+42%	-15%	+1%
	DITHANE	Fungicide	+25%	+52%	-4%	+7%	+13%	-6%	-1%	-3%
	VERDAD <sup>2</sup>	Herbicide	-	-	+335%	+379%	+482%	+29%	+48%	+45%
Animal Health	Fluralaner	Animal Health products	0%	+30%	+22%	+26%	+10%	-10%	+14%	0%
<b>Total Segment<sup>3</sup></b>		-	<b>+8%</b>	<b>+32%</b>	<b>+7%</b>	<b>+15%</b>	<b>+12%</b>	<b>-7%</b>	<b>+7%</b>	<b>+1%</b>

- GRACIA Sales**
  - Initial peak sales target of ¥10.0 billion was achieved in FY2024
  - Sales target was revised upward to ¥12.5 billion in May 2025



Reference

- [Agrochemicals Business Briefing](#) (January 13, 2026)
- [ROUNDUP Business Briefing](#) (January 22, 2020)

- ROUNDUP AL for general household account for 21% of total ROUNDUP sales (FY2025 Actual)
- VERDAD was launched in 4Q FY2024
- Total segment sales YOY include discount

Next is Agrochemicals. As noted at the top, FY2025 sales were up 12% for the year. Our initial outlook for FY2026 is for 1% sales growth. These are very detailed tables. In FY2025, ALTAIR, LEIMAY, and DITHANE achieved double-digit growth, and VERDAD, although recently launched, was well received and contributed to higher sales. For FY2026, however, as shown on the far-right, ROUNDUP and other products are expected to grow, but for ALTAIR and GRACIA we have planned slightly negative figures. VERDAD is up 45%, while Fluralaner is at zero in the initial outlook.

(¥billion)

	FY2024 Actual					FY2025 Actual					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	39.2	14.6	32.4	47.0	86.2	42.3	19.2	34.7	53.9	96.2	+3.1	+4.6	+2.3	+6.9	+10.0
OP	14.4	3.8	7.7	11.5	25.9	12.0	5.0	9.0	14.0	26.0	-2.4	+1.2	+1.3	+2.5	+0.1

Fixed cost & others [2H] up ¥1.3 billion : including fixed cost up ¥0.7 billion and inventory adjustment cost up ¥0.6 billion

[Total] up ¥4.2 billion : including fixed cost up ¥2.3 billion

(rebound from temporary decrease in expense of ¥1.4 billion in FY2024 and higher R&D expenses associated with new products development in FY2025)

inventory adjustment cost up ¥1.9 billion

(inventory valuation losses due to cost reductions

and increase in carryover fixed costs due to higher shipments in FY2025)

#### [2H] Sales & OP up

ROUNDUP	Sales up (ML: volume up due to progress in distribution inventory adjustment)	LEIMAY	Sales up (export: sales up due to increased demand in Europe)
ALTAIR	Sales up (domestic: increased demand due to a surge in rice prices)	VERDAD	Sales up (domestic: launched in 4Q FY2024, sales expansion in FY2025)
GRACIA	Sales up (export: sales expansion in Asia)	Fluralaner	Sales up (API: sales up, royalties: down due to decrease in certain royalty rates)

#### [Total] Sales up, OP flat

ROUNDUP	Sales up (ML: volume up due to progress in distribution inventory adjustment)	LEIMAY	Sales up (export: sales up due to increased demand in Europe)
ALTAIR	Sales up (domestic: increased demand due to a surge in rice prices)	VERDAD	Sales up (domestic: launched in 4Q FY2024, sales expansion in FY2025)
GRACIA	Sales up (domestic: sales expansion)	Fluralaner	Sales up (API: sales up due to partial shipment shifted from FY2024, royalties: down, decrease in certain royalty rates)

1. FY2024 Actual have been restated based on the new method (see p58)

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These are the FY2025 YoY actual results. Operating profit increased by JPY0.1 billion. Fixed costs and others increased by JPY4.2 billion for the year. Of that, JPY2.3 billion was the increase in fixed costs, but JPY1.4 billion of that was the rebound from a temporary expense decrease in FY2024, so on an underlying basis the fixed cost increase was smaller than JPY2.3 billion. Inventory fluctuation effects were also significant, increasing costs by JPY1.9 billion. This reflects a significant increase in costs in 1H FY2024, which resulted in positive inventory valuation effects, followed by a reduction in costs in FY2025, resulting in negative inventory effects. In addition, since shipments were very strong in FY2025, there was also an increase in carryover fixed costs.

For the animal health product Fluralaner, sales were up 10%. As previously mentioned, this reflects a shift in shipments of active ingredients from FY2024 into the 1Q of FY2025. While royalties declined somewhat, overall sales increased by 10%.

(¥billion)

	FY2025 Actual					FY2026 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	26.6	15.7	42.3	53.9	96.2	23.3	15.9	39.2	58.0	97.2	-3.3	+0.2	-3.1	+4.1	+1.0
OP	8.6	3.4	12.0	14.0	26.0	7.2	3.9	11.1	15.9	27.0	-1.4	+0.5	-0.9	+1.9	+1.0

**[Total] Sales & OP up**

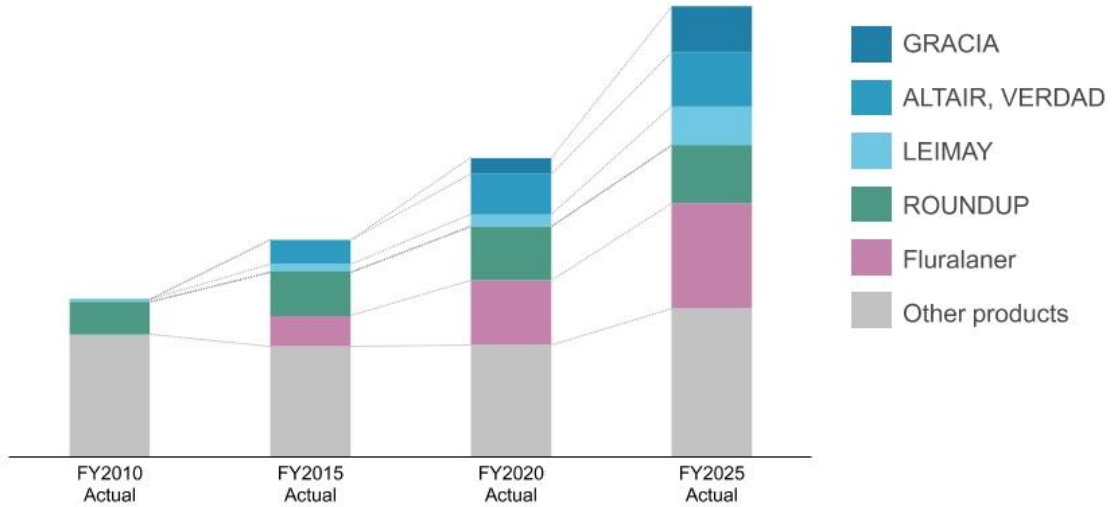
ROUNDUP	Sales up (ML: volume up due to completion of distribution inventory adjustment, AL: volume up)
ALTAIR, VERDAD	Sales flat (domestic: sales down in ALTAIR, largely offset by VERDAD sales growth)
GRACIA	Sales down (export: volume down in India due to distribution inventory adjustment)
LEIMAY	Sales up (export: sales up due to increased demand in Europe)
Fluralaner	Sales flat (API: sales up, royalties: sales down)

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FY2026 is shown on page 27. We plan a JPY1.0 billion increase in operating profit. For this period, there are no significant increases in fixed costs and others. Therefore, against a JPY1.0 billion sales increase, operating profit increase is also JPY1.0 billion. As I mentioned, Fluralaner is flat. For active ingredient shipments, sales are up as noted, but royalties are slightly down, and on a net basis we have assumed zero change.

- Continuous pipeline expansion through new and acquired products
- Sustainable growth through expansion of sales regions, the development of mixture products and new application

**FY2010 - FY2025 Long-Term Sales Trend of Product Portfolio<sup>1</sup>**



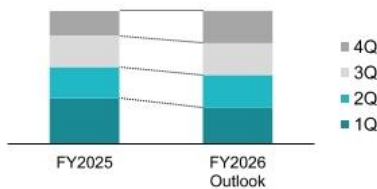
1. Product Portfolio sales include discount

For Agrochemicals, this shows the longer-term sales trend by major product. The data is shown in five-year intervals from FY2010. As noted at the top, we have continuously launched new products and acquired products, and you can see that we are achieving sustained growth through expansion of sales regions and the development of new applications for mixture products.

**Nissan Chemical's Revenues are Consisted from Following Two Factors**

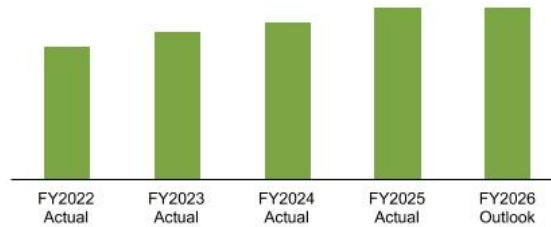
- Sales of Fluralaner to MAH<sup>1</sup> as API<sup>2</sup> of BRAVECTO<sup>®</sup> and EXZOLT<sup>®</sup> products
- Running royalties received from MAH

**FY2025 - FY2026 Quarterly Sales (including royalties)**



Our Fluralaner sales tend to be larger in 1H due to demand trends at MAH

**FY2022 - FY2026 Sales Trend (including royalties)**



- FY2025 actual is +10% YOY, with API sales increase by +37% due to shipments shifted from FY2024. The actual exchange rate is ¥151/\$.
- FY2026 outlook is flat YOY. The assumed exchange rate is ¥150/\$.

**BRAVECTO<sup>®</sup> series R&D**

MAH is developing new parasiticides for pets with Fluralaner as the API, and expanding the number of the registered countries for existing products.

1. MAH: MSD Animal Health, the global animal health business unit of Merck 2. API: Active Pharmaceutical Ingredient

For animal health, as shown in the bar chart on the left, 1H is usually the heavier half, but for FY2026 we expect the two halves to be roughly even. For the FY2026 outlook, as noted below the green bar chart on the right, we are assuming an FX rate of JPY150. Based on this assumption, sales are expected to be flat YoY.

## FY2025 Actual YOY Change

(¥billion)

	FY2024 Actual					FY2025 Actual					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	17.9	10.2	9.7	19.9	37.8	18.8	10.1	10.4	20.5	39.3	+0.9	-0.1	+0.7	+0.6	+1.5
Fine Chemicals	6.3	3.4	3.2	6.6	12.9	6.8	3.2	3.7	6.9	13.7	+0.5	-0.2	+0.5	+0.3	+0.8
Basic Chemicals	11.6	6.8	6.5	13.3	24.9	12.0	6.9	6.7	13.6	25.6	+0.4	+0.1	+0.2	+0.3	+0.7
OP	-0.3	0.5	0.2	0.7	0.4	-0.1	0.3	0.9	1.2	1.1	+0.2	-0.2	+0.7	+0.5	+0.7

1. FY2024 Actual have been restated based on the new method (see p58)

## [2H] Sales &amp; OP up

In Fine Chemicals, OP up due to sales up in TEPIC and fixed costs &amp; others down

In Basic Chemicals, OP up due to sales up in high purity sulfuric acid (demand increase for semiconductors)

## [Total] Sales &amp; OP up

In Fine Chemicals, OP up due to sales up in FINEOXOCOL and environmental related products and fixed costs &amp; others down

In Basic Chemicals, OP flat due to fixed costs &amp; others up despite sales up in high purity sulfuric acid (demand increase for semiconductors)

## FY2026 Outlook YOY Change

(¥billion)

	FY2025 Actual					FY2026 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	9.3	9.5	18.8	20.5	39.3	9.9	9.7	19.6	21.8	41.4	+0.6	+0.2	+0.8	+1.3	+2.1
Fine Chemicals	3.4	3.4	6.8	6.9	13.7	3.5	3.3	6.8	7.2	14.0	+0.1	-0.1	0.0	+0.3	+0.3
Basic Chemicals	5.9	6.1	12.0	13.6	25.6	6.4	6.4	12.8	14.6	27.4	+0.5	+0.3	+0.8	+1.0	+1.8
OP	0.7	-0.8	-0.1	1.2	1.1	1.0	-0.7	0.3	1.0	1.3	+0.3	+0.1	+0.4	-0.2	+0.2

## [Total] Sales &amp; OP up

In Fine Chemicals, OP flat due to fixed costs &amp; others up despite sales up in environmental related products

In Basic Chemicals, OP up due to sales up in high purity sulfuric acid(demand increase for semiconductors)

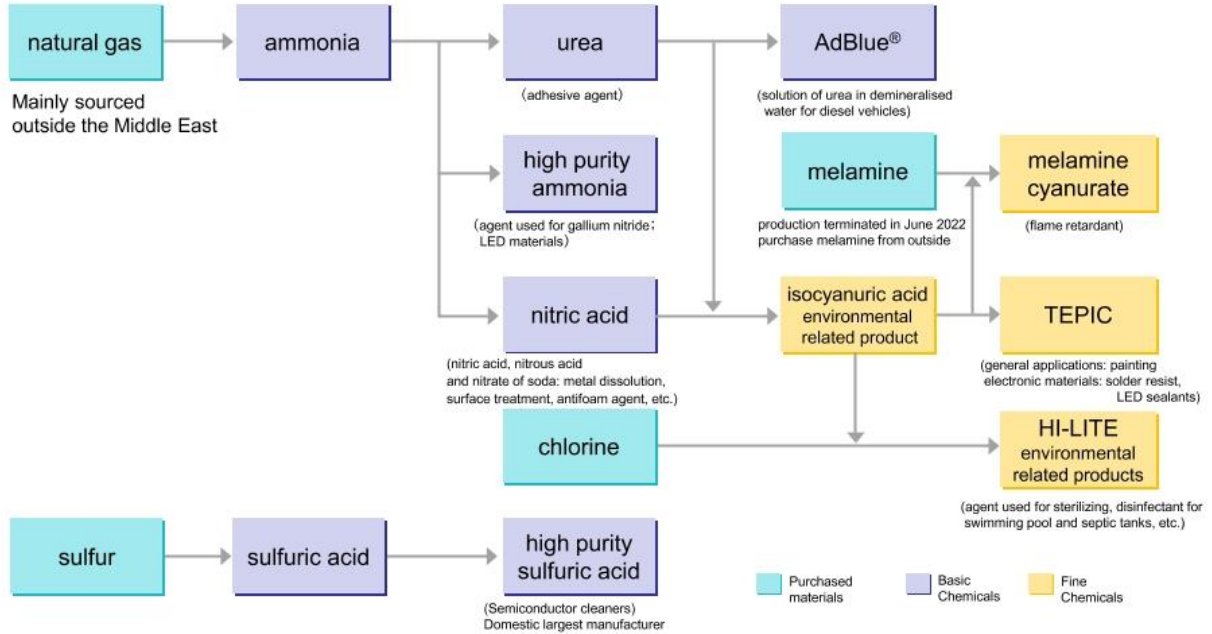
and nitric acid products despite fixed costs &amp; others up

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Next is Chemicals. The table at the top shows the YoY comparison for FY2025, and the table below shows the YoY comparison for the current fiscal year outlook. Both show sales and operating profit growth on a full-year basis. In FY2025, for fine chemicals, higher sales of FINEOXOCOL and environmental related products, together with a reduction in fixed costs due to the reversal of impairment, contributed to an increase in operating profit. In basic chemicals, high purity sulfuric acid for semiconductors recorded double-digit growth, contributing to profit growth. FY2026 shows broadly the same trend, and we will continue working toward our 5% OP margin target.

## Flow Chart of Selected Basic and Fine Chemicals Products

- Core products are ammonia related products and sulfuric acid related products
- FY2025 ammonia domestic production capacity share 11%
- Focus on high value-added products, such as high purity sulfuric acid, instead of pursuing scale



On the product flow chart, I would add that, as noted in the small text below natural gas in the upper left, in our case we mainly procure natural gas from outside the Middle East region and use it to produce ammonia and downstream products.

### FY2025 Actual YOY Change

(¥billion)

	FY2024 Actual					FY2025 Actual					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	3.3	1.1	1.6	2.7	6.0	2.8	1.2	1.2	2.4	5.2	-0.5	+0.1	-0.4	-0.3	-0.8
OP	1.3	0.4	0.2	0.6	1.9	0.7	0.4	0.3	0.7	1.4	-0.6	0.0	+0.1	+0.1	-0.5

1. FY2024 Actual have been restated based on the new method (see p58).

**[Total] Sales & OP down** OP down due to sales down in Custom Chemicals

### FY2026 Outlook YOY Change

(¥billion)

	FY2025 Actual					FY2026 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	1.6	1.2	2.8	2.4	5.2	1.8	0.7	2.5	3.0	5.5	+0.2	-0.5	-0.3	+0.6	+0.3
OP	0.5	0.2	0.7	0.7	1.4	0.7	-0.2	0.5	0.6	1.1	+0.2	-0.4	-0.2	-0.1	-0.3

**[Total] Sales up, OP down** OP down due to fixed costs & others up despite sales up in Custom Chemicals

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Finally, Healthcare. In FY2025, both sales and operating profit declined slightly. For FY2026, while sales are expected to increase, operating profit is expected to decline. FY2026 is expected to be the bottom for profits.

E (Environment)	April 2021	Announced its Diversity Statement and Diversity Vision
	May 2022	Decided to work on realization of carbon neutrality by 2050 Established new long-term target for reducing greenhouse gas (GHG) emissions(see p45)
	June 2022	Reduced GHG emissions by melamine production stop (26,000 tons, equivalent to about 7% of FY2018)
	June 2022	Established Climate Change Committee
	September 2025	"Nissan Bio-Park Nishi-Hongo (Toyama Plant)" and "Onoda Plant Biotope" Certified as "Nationally Certified Sustainably Managed Natural Sites" by the Ministry of the Environment
	October 2025	Published " <a href="#">Integrated Report 2025</a> "
S (Social)	April 2019	Established Nomination and Remuneration Advisory Committee as an optional advisory body of the Board of Directors
	June 2019	Introduced a performance-linked stock compensation plan called a Board Benefit Trust for Board of Directors, etc.
	June 2025	Two female Outside Directors appointed (re-elected), as a result, the Board of Directors includes 4 Outside Directors out of 10 One female Outside Audit & Supervisory Board Member appointed (newly elected), as a result, the Board of Audit & Supervisory includes 3 Outside Directors out of 4
	December 2025	Updated and disclosed " <a href="#">Corporate Governance Report</a> "
	April 2026	Partially revised the officers' remuneration system to increase the ratio of remuneration in stock. Before the revision: base remuneration 65%, performance-related remuneration 28%, remuneration in stock 7% After the revision <sup>1</sup> : base remuneration 50%, performance-related remuneration 30%, remuneration in stock 20% <sup>2</sup>

1. The breakdown of performance-related remuneration (90% profit-linked and 10% ESG-linked) remains unchanged.

2. Linked to ROE and TSR based metrics.

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Finally, at the bottom of the ESG governance section, as disclosed in April, a partial revision to the officers' remuneration system is planned. Specifically, the ratio of stock-based compensation will be increased. As shown in the revised structure, in addition to raising the proportion of stock-based compensation, a TSR indicator will be added alongside the existing ROE indicator.

This concludes my presentation.

## Question & Answer

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### <Questioner 1>

**Q:** I would like to ask about the very strong performance of semiconductor materials in 4Q FY2025. On page 21, trends by product are shown, and Multi layer process materials have grown significantly. Could you explain the background behind this? You mentioned expanding demand for AI servers, but I'd like to ask whether there's any temporary factors, such as special demand or rush orders from customers in China. In addition, please explain recent demand trends, regional characteristics, and your view toward 1Q FY2026.

**A:** In 4Q FY2025, across regions and across our products, growth has been substantial. Among them, Multi layer process materials were particularly strong, partly because we have a high share in legacy applications, especially in China. In addition, in 4Q, a slight share gain at one specific customer also contributed, and as a result the figure came in a bit higher compared to 3Q. For FY2026 as well, we expect the AI-driven market expansion to continue, and we believe this trend will persist for the time being.

**Q:** Regarding Agrochemicals, please share your view on the domestic and overseas market environment for FY2026. I understand that rice prices are calming down in Japan, growth rates vary by region globally, and some countries are working through inventory adjustments. How do you view the impact of rising fertilizer prices?

In addition, please explain the background behind the improvement in equity in earnings of affiliates in 4Q FY2025 and the outlook for further increases in FY2026, including any impact related to fertilizers.

**A:** First, regarding the domestic market, as mentioned earlier, rising rice prices were a significant contributor in FY2025. Rice prices have indeed been on a downward trend, but for FY2026, we expect acreage to be roughly flat versus the prior year. Our mainstay paddy rice herbicides are also expected to follow a calmer pattern, but in April so far, paddy rice product activity has been quite strong. There may have been some front-loaded purchases partly due to factors such as the situation in the Middle East, but in our case the products are moving well.

Looking overseas, with fertilizer prices and energy costs both expected to rise, we see continued uncertainty around price pass-through for agrochemicals and around demand trends. That said, we think the market itself is recovering. From our side, we plan to drive expansion by strengthening sales and outreach activities through our overseas subsidiaries.

Regarding equity in earnings of affiliates, for one company, an affiliate addition began in 4Q FY2025, which contributed to the increase. Accordingly, the improvement was not due to higher fertilizer prices, but rather the increase in the number of applicable companies.

### <Questioner 2>

**Q:** As shown on page 20, your semiconductor materials sales are clearly outperforming market growth. Is the main reason that the number of lithography process steps is increasing for leading-edge semiconductors? On a product basis, are EUV-related materials in particular the main driver of the outperformance?

**A:** As you noted, it comes down to the number of times our materials are used in leading-edge processes. The volume increase from process diversification and the growth of high-value-added materials at the leading

edge—these two factors combined produce the outperformance. In addition, we see significant potential in 3D packaging process materials going forward, and we expect this area to contribute to the outperformance as well.

**Q:** Regarding EUV materials, a significant increase in revenue is expected in FY2026. Which applications and regions will drive this growth?

**A:** The growth in EUV materials is driven largely by memory applications in South Korea. In addition, advanced nodes at foundries in Taiwan are also expanding and contributing to growth. However, at present, South Korea is the largest contributor.

**Q:** With regard to the increase in fixed costs for semiconductor materials in FY2026, there is an impact of JPY0.8 billion from higher inventory holdings related to the semiconductor supply chain enhancement. Is it correct to understand that this was originally planned for FY2025 but has been delayed and will impact FY2026 as a one-off factor?

**A:** That is exactly right. We had initially assumed this in 2H FY2025, but the timing has shifted, and it is now expected to be recorded in 1H FY2026.

**Q:** Regarding Chemicals, I understand that your chemicals business is centered on ammonia, sulfuric acid, and their derivatives. Of course, your selling prices do not fluctuate the way global market prices do, but with global ammonia and sulfuric acid prices having risen this far, I would think there should be some tailwind. Is that kind of positive impact not reflected in your FY2026 outlook?

In addition, although natural gas prices, which are a key raw material, are also rising, if product prices are increased accordingly, there may be a positive impact on profitability. Could you share your view on this?

**A:** At this stage, our FY2026 outlook does not incorporate any upside from higher market prices for ammonia or sulfuric acid. Conversely, natural gas prices have risen sharply of late, to a level we cannot absorb through self-help measures alone, so going forward we plan to obtain customer understanding at an appropriate timing and pass that through into our selling prices. Considering both higher raw material costs and potential increases in product prices, it is currently difficult to determine whether there will be a clear positive impact on profitability. Overall, we do not expect this to be a major factor driving profit growth.

### <Questioner 3>

**Q:** Regarding your outlook to outperform market growth for semiconductor materials shown on page 20, could you provide additional details? We understand that in recent years you have significantly expanded resources such as production capacity and personnel. As a result, is it fair to assume that you may have been able to capture new customers that you had not been able to approach previously, thereby gaining additional share? You also mentioned earlier that you gained share at a specific customer, but could you elaborate on whether overall share gains are contributing to the outperformance?

**A:** From a market share perspective, for lithography materials, we already maintain a relatively high share in Asia. At the same time, in the China region, the competitive environment continues to evolve, and we believe there is still considerable room for growth. Gaining share in this region is therefore expected to be a key contributor to our growth.

**Q:** As an upside case for semiconductor materials sales growth, you present a CAGR of 26%. Could you explain what kind of scenario you are assuming behind this?

**A:** As for the 26% upside case—if you look at the chart on page 20, sales rise sharply from around FY2028. This reflects, in addition to overall lithography growth, the potential of 3D packaging process materials. In particular, around FY2028 is when the HBM4E generation is set to enter the market, and we want to leverage our materials' potential around that timing to grow strongly—that is the scenario we are illustrating.

**Q:** Conversely, given your relatively high exposure to China, how should we think about downside risks from localization by Chinese manufacturers or intensifying competition?

**A:** On the concern you raised—local Chinese manufacturers are indeed rising, but in performance terms our share remains high, and we believe we can keep that position for the foreseeable future. We are strengthening quality steadily so that we can fully maintain that position.

#### <Questioner 4>

**Q:** Regarding display materials, you are forecasting revenue growth in FY2026. Generally, production volumes of LCD smartphones and notebook PCs are expected to decline. Could you elaborate on the reasons why your display materials are expected to grow in FY2026?

**A:** The main driver behind the expected revenue growth in FY2026 is the assumption that our core material, Photo IPS, will continue to grow steadily. In particular, several major customers in China are planning capacity expansions in 2H FY2026. While we are closely monitoring the impact of rising memory prices, at this stage we are not seeing any significant decline in demand for our materials. In terms of smartphones, based on our shipment volumes, there has not been a notable downturn. One possible factor behind this is that the repair and replacement market, particularly in China, may be supporting demand.

**Q:** Regarding the penetration of Photo IPS, in which applications are you seeing particularly strong growth? Also, could you explain what types of applications are driving customers' capacity expansions in 2H FY2026?

**A:** On Photo IPS penetration by application—smartphones are quite saturated, but IT devices (tablet, notebook PC, and monitor) are growing steadily. In particular, monitor applications saw significant growth in FY2025. As monitors have larger panel sizes, this also had a meaningful impact on increasing demand for alignment materials.

As for the customer capacity expansion, we have information that multiple G8.5 or higher generation lines are being launched. These lines are expected to adopt Photo IPS. In terms of applications, IT devices, especially monitor, will account for a substantial portion, and we also expect growth in automotive applications.

#### <Questioner 5>

**Q:** Regarding GRACIA in Agrochemicals, this is one of your in-house developed products that we have been watching. However, growth remained in the single-digit percentage range in FY2025, and you are forecasting a revenue decline in FY2026. Is this because you have roughly captured the addressable market, or is there still room for another leg of growth in this product? Could you discuss the status of GRACIA and its future growth potential?

**A:** GRACIA has already exceeded JPY10.0 billion in sales, so although growth in FY2025 was in the single-digit percentage range, it still represents a significant increase in absolute terms. Domestically, in FY2025, 1H had hot temperatures with significant pest occurrences, and the year ended in positive territory. Overseas,

conversely some inventory adjustments are currently in progress, so growth there is moderating. For FY2026, we are taking a cautious view, considering the continued impact of inventory adjustments overseas, as well as the emergence of competing products in Japan.

Regarding the medium-term growth of GRACIA, we have already revised the target up once—from the original peak sales target of JPY10.0 billion to JPY12.5 billion. That is because we will continue to expand sales overseas through new distributors and through additional registered countries, so we still view this as a product with growth ahead of it.

#### <Questioner 6>

**Q:** I would like to ask about capex on page 15. Could you provide more detail on semis research facilities, equipment, and production facilities planned for FY2026 at JPY5.6 billion.

**A:** This consists of a combination of sequential equipment upgrades and new installations for capacity expansion. Individual investments range from several hundred million yen to a little over JPY1.0 billion each and the total reflects the accumulation of all of those.

**Q:** Should I understand this as equipment to meet the more demanding requirements for leading-edge products like EUV and 3D packaging materials? Also, at which location will these investments be made?

**A:** Yes, that is correct. In addition, ongoing equipment upgrades and the renewal of evaluation equipment are necessary, and these are also included. As for the locations, please understand that the investments will be made in Toyama.

**Q:** Regarding the investment in inorganic production facilities, we understand that it relates to capacity expansion for colloid-related products. Could you explain the location and details?

**A:** This investment is planned for Sodegaura Plant. It is not so much aimed at broadly increasing overall production capacity, but rather to establish production facilities for a new product. Therefore, it will not result in a significant increase in total production capacity.

**Q:** Regarding the JPY1.4 billion investment for the semiconductor supply chain enhancement, could you provide more details?

**A:** Due to relationships with counterparties, it is difficult to provide detailed information. However, this relates to adjustments associated with changes in the distribution structure for certain regions in Asia. This initiative is related to our sales channels and is positioned as an effort to strengthen our supply chain.

[END]